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EXECUTIVE OFFICE FOR
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STATE HOUSE, BOSTON 02133

WILLIAM F. WELD
Governor

PETER NESSEN
Secretary

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WELD PROPOSES OVERHAUL OF STATE PERSONNEL SYSTEM

Gov. William F. Weld today proposed a new human resources system for the Commonwealth that bases future pay increases on performance, and reforms the current compensation and benefits package.

At a dinner speech honoring the state's best and brightest employees, Weld said he would move quickly to implement the new system for the state's 3,000 managers, and added he hoped it would serve as a model that could be extended to the entire state work force.

"We need a human resources system for state government that every day will recognize and reward those employees who strive successfully in public service, the kind of employee exemplified by those we are assembled to honor this evening," Weld said. "This new system will scrap the 'business as usual' approach of negotiating across-the-board pay raises and expansive employee benefits packages in the waning moments of an administration, and will bring about a strong, modern, and fair compensation and benefits program that honors creativity and hard work."

Applied to managers, the new compensation plan would:

-- increase and broaden pay ranges in each management classification, allowing more room for salary growth based upon demonstrated performance;

-- award merit increases to managers from a merit salary pool, effective January 1, based upon performance evaluations;

-- allow agency flexibility to award larger or smaller merit increases to managers based upon performance, with the ability to award significantly higher increases to truly superior employees, and;

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-- revise the performance evaluation system to ensure fair and objective reward of merit increases to managers.

"We have not been able to support the unaffordable 13 percent pay raises for state employees negotiated by the previous administration," Weld said. "And we will not support across-the-board giveaways that ignore performance and productivity."

This kind of "business as usual approach," Weld said, "would ignore our economic and fiscal realities," and would fail to acknowledge and reward "those exceptionally productive employees who have earned a place at the head of the line for wage increases."

Weld also proposed an overhaul of the employee benefits package, expanding some programs such as short-term disability, day care services, family leave, and maternity leave, but contracting others that are currently beyond the norm for private or public business.

The new benefit package would:

-- combine sick leave, vacation leave, and personal leave into a new, more flexibile "earned leave," whose use will be much more at the employee's discretion than current policy allows, but would end the system of allowing 15 sick days a year to be carried over year after year;

-- provide partially employer-paid long-term disability and short-term disability plans, which will also provide up to eight weeks of paid maternity leave;

-- allow up to six months of unpaid family leave for purposes of maternity, paternity, adoption, or care of ill family members, with full health benefits maintained for the duration of the leave;

-- provide partially employer-paid dental and optical plans not now available to managers, and increase employer contributions to life insurance plans;

-- develop an "executive on loan" program to promote the development and broadening of management knowledge and skills;

-- encourage innovations in the workplace such as job sharing, flextime, and four-day work weeks where feasible, and explore more flexibile options in day care such as care for sick children and infant day care;

-- allow state employees to volunteer their services in local public schools, without loss of pay, up to one half day twice a month;

-- establish a slightly higher employee contribution for health benefits, now paid for by the state at 90 percent of the premium, and;

-- eliminate overtime pay for managers to reflect their salaried status.

"I intend to move forward, and take whatever steps are within my authority to implement this new system for state managers," Weld said. "Let me be clear that we see this approach as a model for the whole state work force. It incorporates the elements of a performance-sensitive compensation strategy that we believe makes sense for all our employees...It presents a range of issues that we would like to see discussed at the bargaining table."

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Pride in Performance Awards Dinner
Monday, 5 October 1992

Thank you, Bob, and good evening everybody.

It's a pleasure to be here. The Pride in Performance program highlights the importance of public service and the need to recognize the outstanding contributions of individual employees.

I particularly want to thank Peter Nessen, Secretary for Administration and Finance, and Bob Dumont, Personnel Administrator, who are responsible for planning and organizing this event.

The Commonwealth Citation for Outstanding Performance and the Manuel Carballo Governor's Award for Excellence in Public Service honor those employees who have shown extraordinary commitment and initiative in helping their agencies meet their established goals. These are the employees who have been most innovative and creative in finding better and more efficient ways of delivering services to the Commonwealth.

By their talents and determination, the employees we honor tonight have enabled us to give our citizens the kind of quality they are entitled to in return for their hard-earned tax dollars.

This is a welcome occasion. Not only do I get to meet the real stars of state government, I also get to recognize and reward them. It is an event that could not be more in keeping with our vision of effective government in action.

Recognition of performance, as important as it is, should not be limited to gatherings such as these. In refashioning public service to meet modern demands, we must make performance -- not merely years of service -- the basis for advancement in state government.

We need a new human resources system for state government that -- every day -- will recognize and reward those employees who strive successfully in public service...the kind of employees exemplified by those we are assembled to honor this evening...

They are people like Mary Berneche (pr: bur-nash). A placement specialist at the Department of Employment and Training, Mary helps her customers to see that they are valuable, employable individuals. And she has gotten results. Mary has placed more than 64 welfare recipients into the workforce over the past year.

Employees like Mary deserve recognition, and not just on special occasions. Among other things, outstanding employees must be paid like outstanding employees.

As you know, however, we have not felt that the state is able to afford

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the level of pay increases negotiated by the previous administration.

And we will not support across-the-board pay hikes that ignore performance and productivity.

Such a "business as usual" approach would ignore our economic and fiscal realities. More importantly, it would fail to give due consideration to those exceptionally productive employees who have earned a place at the head of the line for pay increases.

I know, as you know, that any organization that beggars its employees will soon be plagued with the poor performance it deserves. No private company can afford that outcome if it expects to succeed. Nor can state government.

With the state's fiscal crisis having abated, we are now in a position to take up the issue of pay upgrades for our workforce. At the same time, we must seize the opportunity to build a new performance-based human resource system that will reward exceptional performance and secure the quality of the state workforce.

I would like to take this opportunity to unveil a specific plan we have devised to strengthen and reform compensation. Because this approach hinges on our ability to reward excellent performance consistently and effectively, I will be filing legislation shortly to remove the obstacles to performance in the current civil service system and bring it into line with the workplace of the 1990's and the twenty-first century.

We are convinced that this performance-based approach should apply to <u>all</u> state employees, not solely those in management positions. To reach that point will undoubtedly require time, effort, negotiation, debate -- and a full airing of the issues through the collective bargaining process.

We can, however, take immediate steps to bring this new performance-based approach to executive branch managers.

On the compensation side, this plan -- as applied to managers -- will:

►Increase and broaden pay ranges in each management classification, allowing more room for salary growth based upon demonstrated performance.

►Award merit increases, effective January first, based upon performance evaluations.

►Increase total annual take home pay for most of our managers.

►Allow agency flexibility to award larger or smaller merit increases to managers based upon performance, with the ability to award significantly higher increases to truly superior employees, and...

►Revise the performance evaluation system to ensure fair and objective reward of merit increases to managers.

On the benefit side, this plan will:

►Combine sick leave, vacation leave, and personal leave into a new, more flexible "earned leave," the use of which will be much more at the employees' discretion than current leave policy allows.

►Provide partially employer-paid, long-term disability and short-term disability plans which will also provide a measure of paid maternity leave.

►Allow up to six months of unpaid family leave for purposes of maternity, paternity, adoption, or care of ill family members -- with full health benefits maintained for the duration of the leave.

►Provide partially employer-paid dental and optical plans not now available to managers.

►And I am prepared to sign an Executive Order that will allow state employees to volunteer their services to public schools without a loss of pay, up to one half a day twice a month. In doing so, we follow the lead of many successful business. These businesses have see the considerable educational benefit when talented individuals bring the knowledge of their life's work into our classrooms.

In addition, we need to recognize the pressures on working parents today by offering innovations in the workplace -- like job sharing, flextime, and four-day work weeks, where feasible. We are also exploring more flexible options in day care, such as care for sick children and infant day care.

In exchange, we want to see some reforms of management personnel policy. For example, managers should no longer be eligible for overtime pay, reflecting their salaried status. And we would like to see a slightly higher employee premium contribution for health benefits -- a rise that would be more than offset by the benefit improvements we are proposing.

Obviously, some of the details I have noted were designed with managers in mind. But let me be clear that we see this approach as a model for the whole state workforce.

We believe a performance-based compensation strategy makes sense for all state employees...

We believe this compensation plan gives concrete form to our human resources vision, while at the same time remaining true to the principle of continued fiscal prudence.

By it, our hope and belief is that the hard work, creativity, and accomplishments that we honor tonight will in some future day prevail throughout state government.

We envision a time when there are many more Marilyn Aaronsons. Marilyn, a social worker from the Department of Social Services, is known to her fellow workers as an exceptionally dedicated and courageous public servant. In one case, Marilyn worked with a mother who was a heroin addict. Shortly after the woman became pregnant, Marilyn was able to help her accept drug treatment services.

I know I am speaking for all the citizens of Massachusetts when I say thank you, Marilyn, and thank you to all the award winners here tonight for your enthusiasm and genuine commitment to public service...Thank you for your energy and vision. We need more just like you.